

From: al.scott@us.army.mil@inetgw
To: Microsoft ATR
Date: 1/27/02 9:21pm
Subject: Microsoft Settlement

Dear Sirs:

I have read the proposed settlement. It thoroughly addresses oversight of prohibited behavior on the part of Microsoft. I feel it is a step in the right direction but it is short sighted as it really does not say ?What you did was wrong, now pay a price for having done so.?

Nothing addresses any penalties for having operated as a monopoly. This to me ignores the harm done to the industry and customers to date. I also feel there is a serious dilemma in setting any penalties.

One side me says ?this nation enjoys a leading role in global information

technology, we should not hurt our overall standing?; the other side says ?a crime should never pay, there must be an appropriate punishment?. The settlement as proposed never even entertains an aspect of just punishment.

Microsoft is a monopoly and enjoys the leverage of being the desktop operating system publisher for the world. It can spread into almost any other market segment if only by virtue of having enough money to buy into one. Their dominance today is built on their past containment, absorption, and removal of other competing companies and technologies. A lot of inspired innovation died along the way to getting to the current market state. There is

no commercially
viable x86
operating
system in
existence. Just
weeks ago
another
company Be
OS failed.

There is almost
no way to make
a business of a
selling a new
operating
system without
selling it with a
non-Intel based
computer
system.

Microsoft has a
commanding
lead and has
locked out
competition for
the desktop OS
market, for both
consumer and
business users.

The wealth of
this corporation
limits any
meaningful
financial penalty.
Monetarily, I do
not feel a dollar
figure can be set
that would really
impact them
because the
cost would only
be passed on to
the customers.
In effect, we as
its customers,
would be billing
ourselves.

Here are three

possible
penalties:

1. Prohibit
Microsoft and
its major
affiliates from
merging or
spreading into
any other
diversifying
business
ventures for the
next three to
five years. In
effect freeze
Microsoft's
current
expansion for a
fixed period of
time giving
competitors
some
opportunity to
survive and
grow.

2. Set up a
venture capital
startup fund
using \$1 billion
paid by
Microsoft to
support new
alternative
(competing)
U.S. based
operating
system and
software
developers.
Prohibit
Microsoft from
ever acquiring
or partnering
with these
companies.

3. Encourage
sectors of the

U.S.
government to
procure fewer
Microsoft
products by
offering
budgetary
inducements
through GSA
for using
alternative
sourced
products for a
period of three
to five years.
This opportunity
would
encourage
developers to
bring new
products to
market possibly
spurring
competition and
better pricing.
Consumers
would benefit in
having more
choices.

Sincerely,
Alvin Scott